

## **Public Notice ND Medicaid Program**

North Dakota Medicaid providers (listed below) will receive a three percent inflationary increase in reimbursement effective for dates of services July 1, 2011 as authorized and appropriated by the 2011 Legislative Assembly. The three percent inflationary increase is estimated to cost \$10.5 million for a 12-month period.

Fee schedules for services are on the Department of Human Services web site at:  
<http://www.nd.gov/dhs/services/medicalserv/medicaid/provider-fee-schedules.html>

The following Medicaid providers/services are provided the inflationary increase.

- Home Health Services
- Chiropractic Services
- Providers of Services through the ND 1915(c) Medicaid Waivers
- Rehabilitative Services
- Personal Care Services (Community Services and Basic Care Facilities)
- Intermediate Care Facilities
- Durable Medical Equipment Suppliers
- Anesthesia
- Ambulance Services
- Clinic Services
- Dental Services
- Targeted Case Management Services
- Rural Health Clinics and Federally Qualified Health Centers using an Alternate Payment Methodology
- Inpatient and Outpatient Hospital Services (PPS, Per Diem, and Long-Term Care)
- Psychiatric Residential Treatment Facilities
- Non-Emergency Medical Transportation
- Providers reimbursed from the Professional Services Fee Schedule (Does not include those that are reimbursed based on Relative Value Units)

In addition to the above inflationary increases, there will also be the following provider rate changes, effective July 1, 2011:

The Medicaid State Plan will be amended according to Section 2702 of The Affordable Care Act to implement payment adjustments for hospital acquired conditions. The financial impact is unknown.

The Medicaid State Plan will be amended to add information about the payment methodology for the connectivity codes related to services delivered through telemedicine; which is not expected to significantly impact expenditures.

The Medicaid State Plan will be amended to add licensed or registered Pharmacists as practitioners, to be able to render services within their scope of practice. (Example: Vaccine Administration). There is no expected increase in expenditures.

The Medicaid State Plan will be amended to add information about the payment methodology for Dental Clinic services, including Mobile Dental Clinic Services. The financial impact for the 12-month period is estimated to be \$75,000.

The Medicaid State Plan will be amended to allow Home Health Services to be delivered via telemonitoring. No fiscal impact is expected.

The Medicaid State Plan will be amended for Psychiatric Residential Treatment Facilities to clarify the inflationary factor used for rate increases. There is no expected fiscal impact.

The Medicaid State Plan is being amended to include a yearly Disproportionate Share Hospital (DSH) audit consistent with 42 CFR Part 455 Subpart D, and to specify that any overpayments identified in the audit will be redistributed. There is no financial impact for this amendment.

An increase in the rate paid for personal care services in a basic care facility is estimated to cost \$6,000 for the 12-month period.

A supplemental payment will be made to critical access hospitals; the estimated cost is \$1.7 million for the 12-month period.

An increase in the rate paid for Disease Management Services is estimated to cost approximate \$83,000 for the 12-month period.

An increase in the rate paid for the Program for All Inclusive Care of the Elderly (PACE) is estimated to cost \$.2 million for the 12-month period.

North Dakota Medicaid providers of services to individuals with Developmental Disabilities will receive rate enhancements effective July 1, 2011, which includes those authorized and appropriated by the 2011 Legislative Assembly. The rate enhancements are estimated to cost \$4.15 million for a 12-month period. The rate enhancements are a result of six different funding targets indentified by the Legislative Assembly to receive additional funding. The six areas are: (1) Children with Intense Medical Needs, (2) Children with Challenging Behavioral Needs, (3) Children who are Severely Medically Fragile, (4) Individuals residing in Family Homes with Intense Medical Needs, (5) Individuals residing in Adult Residential settings with Intense Medical Needs, and (6) Providers who serve clients with Critical Needs.

Effective 9-1-2011, the Medicaid State Plan is being amended to account for the discontinuation of the publication of the Average Wholesale Price (AWP) by First Data Bank (FDB) and the effect on the calculation of Estimated Acquisition Cost (EAC) for pharmacy pricing. As a replacement for AWP, Suggested Wholesale Price (SWP) will be used. As there are a small number of products that have neither SWP nor Wholesale

Acquisition Cost (WAC) listed with FDB, Direct Price (DP) will be used with the same mark-up as WAC. In short, EAC will be set at the lesser of SWP-10% or WAC+8%; if no SWP or WAC exists, then EAC will be set at DP+8%. As the replacements (SWP and DP) are equivalent to the existing pricing baselines of AWP and WAC, respectively, there will be no financial impact.

Effective 9-1-2011, the Medicaid State Plan is also being amended to include existing reimbursement processes for 340b entities and entities using 340b product. Pharmacies using 340b product for Medicaid recipients are limited to billing Medicaid at their actual cost for the product plus a reasonable dispensing fee as determined by their cost analysis on file in their contract with the 340b facility. Facilities (e.g. outpatient clinics, outpatient hospitals, family planning clinics) using 340b product are limited to billing Medicaid at their actual costs for the product with no dispensing fee as dispensing fees are not paid to those entities. Reimbursement to both is still capped by existing reimbursement rates for the respective entities (e.g. pharmacy reimbursement is still capped by any Maximum Allowable Cost pricing or other which can be less than the 340b price plus dispensing fee). This amendment is recording existing practice into the state plan and there will be no financial impact.

Effective 9-1-2011 the Medicaid State Plan is also being amended to include existing reimbursement processes for coverage of selected active pharmaceutical ingredients (APIs) and excipients used in extemporaneously compounded prescriptions when dispensed by a participating pharmacy provider pursuant to a prescription issued by a licensed prescriber following all state and federal laws. This amendment is recording existing practice into the state plan and there will be no financial impact.

Comments can be sent to and viewed at: Medical Services Division Room 309, ND Department of Human Services, 600 E Boulevard Ave Dept 325, Bismarck, ND 58505-0250. Questions may be directed to the local county social service office, or individuals may contact the ND Medicaid Program at 1-800-755-2604.